GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5499
ANSWERED ON:15.05.2007
FREE TRADE AGREEMENTS
Maheshwari Smt. Kiran

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the names of the countries with which India has signed Free Trade Agreements;

(b) whether the Government has conducted any study of the adverse impact of Free Trade Agreements on the domestic industries;

(c) if so, the details thereof; and

(d) the steps taken/proposed to be taken by the Government to protect the interests of domestic industries?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) India has signed Free Trade Agreements with the following countries

(i) The India-Sri Lanka Free Trade Agreement covering only goods was signed on 28 December 1998 and its implementation began in March 2000.

(ii) India and Singapore have signed a Comprehensive Economic Cooperation Agreement (CECA) on 29 June 2006 which became effective from 1 August, 2005. The CECA includes, inter-alia, free trade agreements in goods, services and investment.

(iii) The Agreement on South Asian Free Trade Area (SAFTA), covering goods, was signed by the SAARC member countries (Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) during the 12th SAARC Summit in Islamabad on 6 January 2004 and has come into force from 1 January 2006. The tariff liberalization programme under SAFTA has commenced from 1 July 2006.

(iv) India also has bilateral trade treaties with Nepal and Bhutan, under which duty-free access has been provided to goods from these two countries, on non-reciprocal basis.

(b) to (d) Before entering into negotiations with its trading partners, studies are undertaken internally, as well as through joint study groups to study the feasibility of the proposed FTAs, including their impact on the domestic industry. Consultations are also held with the domestic stakeholders including the Apex Chambers of Commerce and Industry, industry associations as well as the administrative Ministries and Departments. In order to protect the interests of the domestic industry, these Agreements provide for maintaining sensitive/ negative lists of items on which limited or no tariff concessions are granted under the FTA. In addition, in case of a surge in imports and injury to the domestic industry, a country is allowed to take measures such as anti-dumping and safeguards.